

**ALFRED HERBERT LIMITED**

**FINANCIAL STATEMENTS  
AND**

**AUDITOR'S REPORT  
YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**K A M G & ASSOCIATES**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ALFRED HERBERT LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **ALFRED HERBERT LIMITED** ("**the Company**") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and its Loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.





## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.





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f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.12 to the financial statements.

ii. The Company has no material foreseeable losses, on long-term contracts including derivative contracts.

iii. The Company is not required to be transfer any amount to the Investor Education and Protection Fund.

For **KAMG & ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No.311027E. )



**AMITABHA NIYOGI**  
Partner  
(Membership No.056720)

Kolkata,  
17<sup>th</sup> May, 2019



**ANNEXURE B TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of Alfred Herbert Limited for the year ended March 31, 2019.

We report that:

3. (i)(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) According to the information and explanation given to us, most of the fixed assets have been physically verified by the Management during the year and no material discrepancies were noted on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanation given to us, the company does not hold any immovable properties in the name of the company.

3.(ii) As explained to us, all the inventory of the Company has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its business.

3.(iii) According to the information and explanation given to us, the Company has not granted any loans to companies, firms or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of Clause 3 (iii) (b) & (c) of the Order are not applicable to the Company.

3.(iv) According to the information and explanation given to us, company has not given any loan to directors as mentioned in Section 185 and has not made any investments or given any guarantees & security as mentioned in Section 186. Accordingly, provisions of Clause 3 (iv) of the Order are not applicable to the Company.

3.(v) The Company has not accepted any deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 are not applicable.



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3.(vi) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company.

3.(vii)a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

Except the company has not deposited Rs. 23,609 in respect of unpaid wages and Rs.46,558 in respect of Bonus which are unpaid for more three years to the Karnataka Labour Welfare Fund as per Section 2(10) of the Karnataka Labour Welfare Fund Act, 1965 and Rs.45,060 in respect of service tax has not been deposited till date.

b. According to the records of the Company and according to the information and explanations given to us by the Management, details of disputed statutory dues which have not been deposited are as follows:-

Name of Statute	Nature of Dues	Amount (Rs Lakhs)	Forum where pending
Karnataka Value Added Tax Act/Rules	Demand for penalty for delay in furnishing return VAT 100	0.58 Lakhs	High Court of Karnataka.
Income Tax Act, 1961	Tax, Interest and Penalty FY 2010-11	34.02 Lakhs	Commissioner of Income Tax (Appeals)





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Central Excise/Service Tax Laws	Demand for Duty /Reversal of Cenvat Credit	Rs. 0.48 Lakhs	Asst. Commissioner Central Excise Case No.V/84/15/34/05
- Do -	Reversal of CENVAT credit	Rs.14.94 Lakhs	Commissioner of Appellate Tribunal - Appeal No.E/927/2010
- Do -	Penalty and interest on account of unsuccessful developmental jobs	Rs. 0.48 Lakhs	Asst. Commissioner Central Excise Case no.V/84/15/34/05
- Do -	Reversal of CENVAT Credit	Rs. 0.11 Lakhs	Commissioner Appeals – Appeal No.193/2009 B1
- Do –	Reversal of CENVAT Credit	Rs. 2.98 Lakhs	Central Excise Tribunal [CESTAT] – Appeal No.E110/2009

3.(viii) the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;

3.(ix) the company has not money raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised;

3.(x) No fraud on or by the company has been noticed or reported during the year;

3.(xi) No managerial Remuneration has been paid by the Company. Accordingly, provisions of Clause 3 (xi) of the Order are not applicable to the Company.

3.(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.



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- 3.(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- 3.(xiv) the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- 3.(xv) the company has not entered into any non-cash transactions with directors or persons connected with him;
- 3.(xvi) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of  
**KAMG & ASSOCIATES**

Chartered Accountants

Firm Registration No. 311027E



AMITABHA NIYOOGI

Partner

Membership No. 056720

Kolkata

17<sup>th</sup> May 2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alfred Herbert Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **ALFRED HERBERT LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KAMG & ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No.311027E)

*Amitabha Niyogi*

**AMITABHA NIYOGI**

Partner


(Membership No.056720)

Kolkata,  
May 17, 2019



ALFRED HERBERT LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2019

Amount in Rs


Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
(a) Share Capital	2.1	9,000,070	9,000,070
(b) Reserves and Surplus	2.2	(44,518,334)	(43,141,278)
<b>2) Share application money pending allotment</b>			
<b>3) Non-current Liabilities</b>			
(a) Long-term Borrowings	2.3	-	1,236,660
(b) Deferred tax liabilities (Net)	2.9	311,526	319,923
(c) Long-term provisions	2.4	190,980	294,914
<b>4) Current Liabilities</b>			
(a) Short-term borrowings			
i) Loan from Banks	2.5	10,420,284	7,106,836
ii) Inter Corporate Deposit: Loan from Holding Company		37,000,000	42,000,000
(b) Trade payables (Refer Note No. 1.3)	2.5	21,119,003	24,173,405
(c) Other current liabilities	2.6	36,140,197	30,553,588
(d) Short-term provisions	2.7	8,283,481	8,016,773
		<b>77,947,207</b>	<b>79,560,891</b>
<b>II ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Fixed assets:			
i) Tangible assets	2.8	8,790,599	10,048,337
iii) Intangible Assets	2.8	18,716	137,253
(c) Long-term loans and advances	2.10	878,154	878,154
<b>2) Current Assets</b>			
(a) Inventories	2.11	38,518,598	35,956,510
(b) Trade Receivables	2.12	9,396,270	7,663,510
(c) Cash and Bank Balances	2.13	3,386,751	2,201,248
(d) Short-term loans and advances	2.14	10,204,593	10,829,883
(e) Other current assets	2.15	6,753,526	11,845,997
		<b>77,947,207</b>	<b>79,560,891</b>
Significant Accounting Policies and Notes on Accounts	1&2		
<p>As per our attached report of even date For KAMG &amp; Associates Chartered Accountants Firm Regn. No. 311027E</p> <p><i>Amitabha Niyogi</i> Amitabha Niyogi Partner Membership No.056720</p> <p> KAMG &amp; ASSOCIATES Kolkata Chartered Accountants</p> <p>For and on behalf of the Board</p> <p><i>S.S. Jain</i> S.S.Jain Director (DIN : 00013732)</p> <p><i>V. Matta</i> V.Matta Director (DIN : 00338911)</p> <p>Place : Kolkata Date : 17th May, 2019</p> <p>Place : Kolkata Date : 17th May, 2019</p>			



## ALFRED HERBERT LIMITED

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2019

Amount in Rs

Particulars	Note No	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I Revenue from Operations</b>	2.16	100,608,558	120,143,593
Less: Excise Duty	2.16	-	2,087,468
<b>Net Revenue from Operations (I)</b>		<b>100,608,558</b>	<b>118,056,125</b>
<b>II Other Income</b>	2.17	162,157	316,242
<b>III Total Revenue (I+II)</b>		<b>100,770,715</b>	<b>118,372,367</b>
<b>IV Expenses</b>			
Cost of materials consumed	2.18	61,860,103	82,080,684
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	2.19	(4,378,868)	290,884
Employees Benefit Expenses (Refer Note No. 1.4 & 1.5)	2.20	23,119,975	26,130,732
Finance Costs	2.21	1,542,853	2,346,182
Depreciation and Amortisation Expense	2.8	1,376,277	1,448,614
Other Expenses	2.22	18,635,830	30,922,436
<b>Total Expenses</b>		<b>102,156,169</b>	<b>143,219,532</b>
<b>V Profit Before Tax (III-IV)</b>		<b>(1,385,454)</b>	<b>(24,847,165)</b>
<b>VI Tax expense</b>			
1) Current tax		-	-
2) Deferred Tax (Refer note 2.9)		(8,397)	(575,307)
<b>VII Profit/(Loss) for the period</b>		<b>(1,377,056)</b>	<b>(24,271,858)</b>
<b>VIII Earnings per Equity Share</b>		<b>(1.53)</b>	<b>(26.97)</b>
Number of shares at the end of the year		900,007	900,007
<p>As per our attached report of even date</p> <p>For KAMG &amp; Associates</p> <p>Chartered Accountants</p> <p>Firm Regn. No. 311027E</p> <p><i>Amitabha Niyogi</i></p> <p>Amitabha Niyogi Partner Membership No.056720</p> <p>Place : Kolkata Date : 17th May, 2019</p> <p></p>			
<p>For and on behalf of the Board</p> <p><i>S.S. Jain</i></p> <p>S.S.Jain Director (DIN : 00013732)</p> <p><i>V. Matta</i></p> <p>V.Matta Director (DIN : 00338911)</p> <p>Place : Kolkata Date : 17th May, 2019</p>			

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Amount in Rs

	2018-19	2017-18
<b>A) Cash Flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax	(1,385,454)	(24,847,165)
Adjustment for		
Depreciation	1,376,277	1,448,614
Interest paid	1,542,853	2,346,182
Interest/Income accrued	-	-
Adjustment for Non-current Assets & Liabilities		
Long Term Provisions	(103,934)	25,696
Long Term Loan & Advances	-	-
Long Term Loan Repayments	-	-
	2,815,196	3,820,492
Operating Profit before Working Capital Changes	1,429,742	(21,026,673)
Adjustment for		
Inventories	(2,562,088)	1,613,367
Trade Receivables	(1,732,761)	16,046,928
Short Term Loans & Advances	625,289	3,552,057
Other Current Assets	5,092,470	(6,878,341)
Trade Payables	(3,054,401)	(6,511,753)
Other Current Liabilities	6,469,944	(728,962)
Short-term Provisions	266,708	(251,188)
Proceeds/(Repayment) of Borrowings	-	-
	5,105,160	6,842,108
Cash Generated from Operating Activities	6,534,902	(14,184,564)
Interest paid	-	-
Direct Tax (Net)	-	-
Net Cash from/used in Operating Activities	6,534,902	(14,184,564)
<b>B) Cash Flow from Investing Activities</b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets/Capital WIP	-	-
Net Cash from/used in Investing Activities	-	-
<b>C) Cash Flow from Financing Activities</b>		
Repayment of Term Borrowing	(2,119,995)	(2,120,201)
Interest paid on Borrowings	(1,542,853)	(2,346,182)
Inter Corporate Loan	(5,000,000)	24,000,000
Working Capital Borrowing	3,313,449	(9,569,292)
Corporate Dividend Tax paid	-	-
Net Cash used in Financing Activities	(5,349,399)	9,964,325
Net Increase/(Decrease) in cash or cash equivalent	1,185,503	(4,220,240)
Cash and Cash equivalents (Opening Balance)	2,201,248	6,421,487
Cash and Cash equivalents (Closing Balance)	3,386,751	2,201,248
(Refer Note No. 2.13)		
	1,185,503	(4,220,240)

As per our attached report of even date

For KAMG &amp; Associates

Chartered Accountants

Firm Regn. No. 311027E



Amitabha Niyogi

Partner

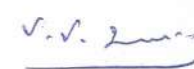
Membership No.056720

Place : Kolkata

Date : 17th May, 2019



For and on behalf of the Board



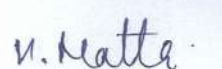
S.S.Jain

Director

(DIN : 00013732)

Place : Kolkata

Date : 17th May, 2019



V.Matta

Director

(DIN : 00338911)

## **ALFRED HERBERT LIMITED**

### **1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **1.1 SIGNIFICANT ACCOUNTING POLICIES:**

##### **Basis of Accounting**

The accounts have been prepared under the historical cost convention in accordance with the provisions of the Companies Act, 2013 and mandatory accounting standards issued by the Institute of Chartered Accountants of India. The accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with Generally Accepted Accounting Principles.

##### **Use of Estimates**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of asset and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can be reasonably estimated. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.

##### **Fixed Assets**

Fixed Assets are stated at cost. Expenses relating to acquisition and installation of Fixed Assets are capitalized till the assets are put to use.





## Depreciation

Depreciation on original cost of fixed assets has been provided on straight-line method at the rates derived on the basis of useful life specified in Part 'C' of Schedule II to the Companies Act, 2013. The computer software is depreciated over a period of five years, the useful life of which is determined as per AS 26.

## Impairment

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amounts of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a pro-rata basis.

## Inventories

Inventories are valued at lower of cost and net realizable value. Cost of the inventories is generally ascertained on weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.

Cost for the purpose of valuation of work in progress and stock in trade includes materials, labour and appropriate portion of production overheads.

## Income

Sales are recognized on passing of the property in goods as per the terms of sales. These include, income from job work and are net of rebates, discount and other non-recoverables. All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.



## **Transaction in Foreign Currency**

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year-end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized as income or expenses and are adjusted to the profit and loss account under respective accounts, except in the cases where such fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets.

## **Retirement Benefits**

Retirement benefits to employees viz. Provident, Superannuation and Pension Funds are accounted for on accrual basis. The year-end liability in respect of gratuity and leave encashment are determined on the basis of actuarial valuation. Contribution to Provident, Superannuation, Pension and Gratuity Funds are made to the appropriate authorities

## **Taxation**

Provision for current tax and deferred tax is made for the year. Deferred tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized and carried forward only to the extent there is virtual certainty that assets will be realized in future.

## **Provisions, Contingencies and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.





## NOTES TO ACCOUNTS:

### 1.2 Contingent liabilities not provided in accounts in respect of:

(Amount in Rs)

	<u>Current Year</u>	<u>Previous Year</u>
i) Bank Guarantees for Advance issued in favour of customers.	3,85,000	48,45,750
ii) Bank Guarantees for Performance issued in favour of customers.	Nil	Nil
iii) Letter of credit in favour of Supplier	Nil	Nil
iv) Central Excise demands not accepted by the Company	20,54,646	20,54,646
v) Penalties in respect of Excise/Service Tax	4,43,378	4,43,378
vi) Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 07, against which the Interim Order was passed by the Hon'ble High Court of Karnataka on 13.04.07 staying the Order of Penalty until further consideration of the writ petition.	57,968	57,968
vii) Income Tax matters-Tax, penalty and interest (Current year For FY 2010-11 and Previous year for FY 2010-11 &2011-12)	34,01,531	34,01,531
viii) Warranty Expenses	48197	1,00,000





**1.3** Sundry creditors include amounts due to Micro/Small Scale/Medium enterprises as defined under the MSMED Act, 2006 per details given below to the extent such parties have been identified from available information.

SN	Details	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
A.	Principal amounts unpaid at the end of the Financial year	21,58,567	31,36,425
B.	Interest due on above	Nil	Nil

#### **1.4 Gratuity Plan:**

The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised).

Reconciliation of Defined Benefit Obligation and Fair Value of Assets over the year ended 31st March, 2019



1) Net Asset/(Liability) recognized in the Balance sheet - 31 March 2019

		Rupees
<b>A.</b>	<b>Funded Status</b>	
1	Present value of Defined Benefit Obligation	8,129,782
2	Fair value of plan assets	8,570,076
3	Funded status [Surplus/(Deficit)]	440,294
4	Effect of balance sheet asset limit	0
5	Unrecognized Past Service Costs	0
6	Net asset/(liability) recognized in balance sheet	440,294
1	Net asset/(liability) recognized in balance sheet at beginning of period	335475
2	Employer expense	(104819)
3	Employer contributions	0
4	Net asset/(liability) recognized in balance sheet at end of the period	440294
	Discount Rate Assumptions	
	1-Apr-2018	7.55%
	31-Mar-2019	7.30%



Total expense recognized in the Statement of Profit & Loss:

2) A. ;

(Amount in Rs)

Sl No	Components of employer expense	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
i)	Current Service Cost	333120	350487
ii)	Interest Cost	592203	564440
iii)	Expected return on plan assets	(617532)	(565173)
iv)	Past Service Cost		
v)	Actuarial Losses/(Gains)	(412610)	(673273)
vi)	Total expenses recognised in the Statement of Profit & Loss Account	(104819)	(323519)





## B. Recognition of Defined Benefit Obligation and Fair Value of Assets

Over the year ending on 31 March 2019:

		Rupees
<b>A.</b>	<b>Change in Defined Benefit Obligations</b>	
1	Present value of DBO at beginning of period	8,049,210
2	Current Service cost	333,120
3	Interest cost	592,203
4	Curtailment cost/(credit)	0
5	Settlement cost/(credit)	0
6	Employee contribution	0
7	Plan amendments	0
8	Acquisitions	0
9	Actuarial (gains)/losses	(433,838)
10	Benefits paid	(410,913)
11	Present Value of DBO at the end of period	8,129,782
<b>B.</b>	<b>Change in Fair Value of Assets</b>	
1	Plan assets at beginning of period	8,384,685
2	Expected return on plan assets	617,532
3	Actual Company contributions	0
4	Actuarial gain/(loss)	(21228)
5	Employee contributions	0
6	Benefits paid	(410,913)
7	Plan assets at the end of period	8,570,076
<b>C</b>	Actual return on plan assets	596,304
	Discount Rate Assumptions	
	1-Apr-2018	7.55%
	31-Mar-2019	7.30%



### 1.5 Leave Encashment Scheme:

- i) The table below shows a summary of the key results for the year ended 31<sup>st</sup> March, 2019.

Assets / Liabilities:

(Amount in Rs)

		As on 31.03.2019	As on 31.03.2018
i)	Present Value of obligation	268,114	296,840
ii)	Fair Value of Plan Assets	-	-
iii)	Net Asset/(Liability) recognized in the Balance Sheet	(268,114)	(296,840)

- ii) Total expense recognized in the Statement of Profit and Loss:

Sl No.	Components of employer expense	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
i)	Current Service Cost	54718	55045
ii)	Interest Cost	22411	19222
iii)	Actuarial Losses/(Gains)	(105855)	(46645)
vi)	Total expenses recognised in the Statement of Profit & Loss Account	(28726)	27622



iii) The financial assumptions employed for the calculations are as follows:

	As on 31.03.2019	As on 31.03.2018
Discount rate per annum compound	7.30% p.a	7.55% p.a
Rate of increase in Salaries	8.00% p.a	8.00% p.a
Expected average remaining working lives of employees (years)	7.83	7.90

Scheme is not funded through any trust fund and therefore no assumption regarding expected rate of return on assets is applicable.

iv) Demographic Assumptions :

1. Mortality: It is assumed that active members of the Scheme will experience in service mortality in accordance with the standard table Indian Assured Lives Mortality (2006-08) Ultimate.

2. The following withdrawal rates have been assumed:

Particulars	Age	As on 31.03.2019	As on 31.03.2018
Withdrawal Rate	Upto 40 years	4.2/ Thousand	4.2/ Thousand
	40 years and above	Nil	Nil
Early retirement and disability	40 – 54 years	1.8/Thousand	1.8/Thousand
	55 – 59 years	2.2/Thousand	2.2/Thousand





**1.6 The following are the major components of deferred tax Assets/(Liabilities):**

(Amount in Rs)

	<b>As on 31.03.2019</b>	<b>As on 31.03.2018</b>
<b>Deferred Tax Liability</b>		
On Account of Depreciation	<b>(3,52,628)</b>	<b>(369560)</b>
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis u/s 43B	<b>41,102</b>	<b>49,637</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>( 3,11526)</b>	<b>(319923)</b>

**1.7** The company's exclusive business is manufacturing and selling industrial machineries and as such in the opinion of the management this is the only reportable segment as per Accounting Standard 17 on Segment Reporting.



1.8 Related party disclosure as identified by the management in accordance with the Accounting Standard 18 are as given below:

(Amount in Rs)

(i) Holding Company : Alfred Herbert (India) Ltd

(ii) Transactions with the related parties:

a. Holding Company

	<u>2018-19</u>	<u>2017-18</u>
1) Inter Corporate Deposit – Opening balance	4,20,00,000	1,80,00,000
2) Inter Corporate Deposit - Availed during the year	1,00,00,000	2,40,00,000
3) Inter Corporate Deposit - Paid	1,50,00,000	Nil
4) Inter Corporate Deposit – Closing Balance	3,70,00,000	4,20,00,000
5) Interest Payable (Net of TDS)	Nil	Nil
6) Interest expense	Nil	Nil
7) Corporate Guarantee Taken	Nil	Nil
8) Corporate Guarantee Outstanding	2,75,00,000	2,75,00,000



In terms with the prudential guidelines issued by the Reserve Bank of India and other applicable provisions of the Companies Act, 2013 and as a further measure to support the Company which is wholly owned subsidiary, the Board of Alfred Herbert (India) Ltd (AHIL) has accorded its approval to write-off the interest amounting to Rs.5,65,820/-accrued for the year 2015-16 and waive the interest on any loans for the years 2016-17 and 2017-18 availed by the Company from AHIL. In view of this, no interest has been provided on Inter corporate deposit totaling Rs.370 lakhs as outstanding on 31<sup>st</sup> March 2019.

Directors:

Name of the Director	Remuneration for 2018-19	Remuneration for 2017-18
Mr S S Jain	Nil	Nil
Mr A K Basu	Nil	Nil
Mr Indranil Choudhury (Resigned w.e.f. 20.07.2018)	Nil	Nil
Mr Vikram Matta	Nil	Nil





**1.9** Disclosure as required in terms of the Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are as follows:

(Amount in Rs)

<u>Nature of Item</u>	<u>Provision for Warranty</u>	
	<u>2018-19</u>	<u>2017-18</u>
Opening Provision	-	-
Provided during the year	48,197	10,06,868
Amount utilized	48,197	10,06,868
Unused written back	-	-
Closing Provision	-	-

**1.10 EARNINGS PER SHARE (EPS)**

2018-19      2017-18

i)	Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs)	(,13,77056)	(2,42,71,859)
ii)	Number of Equity Shares used as denominator for calculating EPS	900,007	900,007
iii)	Basic and Diluted Earnings per Share (Rs)	(1.53)	(26.97)
	Face Value per Equity Share (Rs)	10.00	10.00

**1.11** Previous year's figures have been rearranged/regrouped wherever necessary.



**1.12 Pending Litigations:** The financial results are subject to the pending litigations as given below:

Name of Statute	Nature of Dues	Amount (Rs Lakhs)	Forum where pending
Central Excise/Service Tax Laws	Demand for Duty /Reversal of Cenvat Credit	Rs. 0.48 Lacs	Asst. Commissioner Central Excise Case No.V/84/15/34/05
- Do -	Reversal of CENVAT credit	Rs.14.94 Lacs	Commissioner of Appellate Tribunal - Appeal No.E/927/2010
- Do -	Penalty and interest on account of unsuccessful developmental jobs	Rs. 0.48 Lacs	Asst. Commissioner Central Excise Case no.V/84/15/34/05
- Do -	Reversal of CENVAT Credit	Rs. 0.11 Lacs	Commissioner Appeals – Appeal No.193/2009 B1
- Do –	Reversal of CENVAT Credit	Rs. 2.98 Lacs	Central Excise Tribunal [CESTAT] – Appeal No.E110/2009
Income Tax	Tax, Interest and Penalties FY 2010-11	Rs.34.02 Lacs	Commissioner of Income tax (Appeals)
Karnataka Value Added Tax Act/Rules	Demand for penalty for delay in furnishing return VAT 100	Rs. 0.58 Lacs	High Court of Karnataka



### 1.13 Items included in Provision no longer required :

(b) Liability no longer required written back, amounting Rs.45,060/- has arisen out of provision for service tax liability accounted for in excess of required provision in earlier year.

### 1.14 Particulars in respect of goods manufactured :

Sl.No. Description	Registered Licensed Capacity (Unit)	Installed Capacity (Unit)	Actual Production 2018-19 (Unit)	Actual Production 2017-18 (Unit)
-----	-----	-----	-----	-----
i) Intermixes	12	15	8	10
ii) Shear Strip Tube Presses	60	75	-	-
iii) AutoformTyre Presses/ Tyre Curing Presses	28	14	1	-
iv) Tyre Building Machine	12	6	-	2
v) Servicers/Band Apps	12	6	-	-
vi) Bias Cutters	4	4	-	-
vii) Machine Tools (Metal Cutting including Grinding Machines)	138	76	-	-
viii) Plastic Processing	126	-	-	-
ix) Waste Disposal Machine	-	-	-	1
			<u>9</u>	<u>13</u>
			-----	-----





**NOTE :**

1. Capacity registered with Director General of Technical Development in respect of Serial (i) to (vi).
2. The installed capacity assumes the maximum in each product and actually does not signify that all the products can be made simultaneously, being technical in nature as certified by the Management.

**For and on behalf of the Board**

*S. S. Jain*

**S. S. Jain**

**Director**

(DIN : 00013732)

*V. Matta*

**V. Matta**

**Director**

(DIN : 00338911)

Place : Kolkata

Date : 17th May, 2019



## 2 NOTES FORMING PART OF BALANCE SHEET

	Amount in Rs	
	As at 31st March, 2019	As at 31st March, 2018
<b>2.1 SHARE CAPITAL</b>		
Authorised		
909000 Equity Shares of Rs.10 each	9,090,000	9,090,000
100 - 8% Redeemable Preference Shares of Rs.100 each	10,000	10,000
	<u>9,100,000</u>	<u>9,100,000</u>
Issued, Subscribed and Paid up		
900007 equity shares of Rs.10 each fully paid up.	9,000,070	9,000,070
(Out of above, 900000 equity shares of Rs.10 each were issued to Alfred Herbert (India) Ltd for consideration other than cash pursuant to the Scheme of Arrangement.)		
All equity shares are held by Alfred Herbert (India) Ltd., the Holding Company and its nominees.		
	<u>9,000,070</u>	<u>9,000,070</u>

Reconciliation of number of shares outstanding as at 31st March, 2017 and 31st March, 2016 are given below:

Number of shares at the beginning	900,007	900,007
Additions/(Deletions)	-	-
Number of shares at the end	<u>900,007</u>	<u>900,007</u>

2.1.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in

	Amount in Rs	
	As at 31st March, 2019	As at 31st March, 2018
<b>2.2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve - Opening Balance	700	700
Add: Transferred from Surplus	-	-
	<u>700</u>	<u>700</u>
General Reserve - Opening Balance	3,288,775	3,288,775
Add: Transferred from Surplus	-	-
	<u>3,288,775</u>	<u>3,288,775</u>
Surplus - Opening Balance	(46,430,753)	(22,158,894)
Add/(Less): Net Profit/(Loss) After Tax transferred from Statement of Profit & Loss	(1,377,056)	(24,271,859)
Profit available for appropriation	<u>(47,807,809)</u>	<u>(46,430,753)</u>
Appropriations		
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Amount Transferred to General Reserve	-	-
Depreciation in respect of assets, where useful life is nil as on 01-04-2014 (As per Note No 7 (b) to Schedule II to Companies Act 2013)	-	-
Surplus - Closing Balance	<u>(47,807,809)</u>	<u>(46,430,753)</u>
<b>Total</b>	<u>(44,518,334)</u>	<u>(43,141,278)</u>



ALFRED HERBERT LIMITED

2 NOTES FORMING PART OF BALANCE SHEET

		Amount in Rs	
		As at	As at
2.3	LONG-TERM BORROWINGS		
	Term Loan from Canara Bank	-	1,236,660
	Secured by hypothecation of Equipment		
		-	1,236,660
2.4	LONG-TERM PROVISIONS		
	Provision for Employee Benefits:		
	Provision for Leave Encashment	190,980	294,914
		190,980	294,914
2.5	SHORT-TERM BORROWINGS		
	Loans repayable on demand from Banks:		
	From Canara Bank, Bangalore:		
	Cash Credit/Current A/c	10,420,284	7,106,836
	Secured by hypothecation of stocks and book debts and Plant and Machinery, Furniture and Fixtures		
	TRADE PAYABLES		
	Classification as required by MSME Act *		
	Total outstanding dues of MSMEs	2,158,567	3,136,425
	Total outstanding dues of creditors other than MSMEs	18,960,437	21,036,979
	* Details of dues to MSME as defined under MSMED act 2006 are based on information made available to the company. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.		
		31,539,288	31,280,240
2.6	OTHER CURRENT LIABILITIES		
	Other Payables:		
	Current Maturity of Long term debt (Equipment Loan from Canara Bank)	1,236,669	2,120,004
	Secured by hypothecation of Equipment		
	Advances received from Customers	31,428,228	26,730,186
	Others ( TDS, Payroll Deductions etc)	3,475,300	1,703,398
		36,140,197	30,553,588
2.7	SHORT-TERM PROVISIONS		
	Provision for Expenses	777,011	553,713
	Provision for Employee Benefits	431,392	387,955
	Other Provisions (Taxation, Commission, Warranty etc) (Refer Note No. 1.9)	7,075,078	7,075,105
		8,283,481	8,016,773





## 2.8 FIXED ASSETS

Description	Gross Carrying Amount				Depreciation					Net Carrying Amount	
	As at 01-04-2018	Additions during the year	Deletion during the year	As at 31-03-2019	Up to 31-03-2018	Additions during the year Charged to P&L	Additions during the year Adjusted in the OB of Retained Earnings	Deletion during the year	Up to 31-03-2019	As at 31-03-2019	As at 31-03-2018
<b>Tangible Assets:</b>											
Plant and Machinery	2,52,50,526	-	-	2,52,50,526	1,53,96,284	11,99,229	-	-	1,65,95,513	86,55,013	98,54,242
Furniture & Fixtures	6,48,574	-	-	6,48,574	5,54,329	4,887	-	-	5,59,216	89,358	94,245
Vehicles	15,26,940	-	-	15,26,940	15,26,940	-	-	-	15,26,940	-	-
Office Equipment	4,52,408	-	-	4,52,408	4,14,462	15,152	-	-	4,29,614	22,794	37,946
Computers	21,61,880	-	-	21,61,880	20,99,974	38,472	-	-	21,38,446	23,434	61,906
<b>Total</b>	<b>3,00,40,328</b>	<b>-</b>	<b>-</b>	<b>3,00,40,328</b>	<b>1,99,91,989</b>	<b>12,57,740</b>	<b>-</b>	<b>-</b>	<b>2,12,49,729</b>	<b>87,90,599</b>	<b>1,00,48,337</b>
<b>Intangible Assets:</b>											
Computer Software	6,23,877	-	-	6,23,877	4,86,624	1,18,537	-	-	6,05,161	18,716	1,37,253
	<b>3,06,64,205</b>	<b>-</b>	<b>-</b>	<b>3,06,64,205</b>	<b>2,04,78,613</b>	<b>13,76,277</b>	<b>-</b>	<b>-</b>	<b>2,18,54,890</b>	<b>88,09,315</b>	<b>1,01,85,590</b>
Previous year	3,06,64,205	-	-	3,06,64,205	1,90,30,000	14,48,614	-	-	2,04,78,614	1,01,85,590	-



ALFRED HERBERT LIMITED

2 NOTES FORMING PART OF BALANCE SHEET

		Amount in Rs	
		As at 31st March 2019	As at 31st March 2018
<b>2.9 DEFERRED TAX (ASSETS)/LIABILITIES (NET)</b>			
a. Deferred Tax Liabilities		311,526	319,923
		<b>311,526</b>	<b>319,923</b>
<b>2.10 LONG-TERM LOANS &amp; ADVANCES</b>			
(Unsecured-considered good)			
Security Deposits		878,154	878,154
		<b>878,154</b>	<b>878,154</b>
<b>2.11 INVENTORIES</b>			
Raw Material		11,265,955	12,981,077
Work in Progress		26,856,852	22,477,983
Finished Goods		28,125	28,125
Loose Tools		367,666	469,325
		<b>38,518,598</b>	<b>35,956,510</b>
<b>2.12 TRADE RECEIVABLES</b>			
(Unsecured - Considered Good )			
Debts outstanding for a period exceeding six months		2,259,619	1,578,752
Less: Provision for doubtful debts		1,725,738	475,445
		533,881	1,103,307
Other debts		8,862,389	6,560,203
		<b>9,396,270</b>	<b>7,663,510</b>
<b>2.13 CASH AND BANK BALANCES</b>			
Cash and Cash equivalents			
Balance with Banks :			
On Current Accounts		2,932,577	866,120
Margin Deposit - towards Bank Guarantee		385,000	1,211,500
Cash on hand		69,174	123,628
		<b>3,386,751</b>	<b>2,201,248</b>
<b>2.14 SHORT TERM LOANS AND ADVANCES</b>			
(Unsecured - considered good)			
Advance recoverable in cash or in kind or for value to be received		13,340,152	13,965,442
Less : Provision for Doubtful Advances		3,135,559	3,135,559
		<b>10,204,593</b>	<b>10,829,883</b>
<b>2.15 OTHER CURRENT ASSETS</b>			
(Unsecured - considered good)			
Balance with Excise/Commercial Tax Dept etc		6,738,222	11,841,431
Accrued Interest		15,303	4,566
		<b>6,753,526</b>	<b>11,845,997</b>



## 2 NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

		Amount in Rs	
		For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>2.16</b>	<b>REVENUE FROM OPERATIONS</b>		
a)	Sale of Products		
i)	Domestic Sales	98,186,857	90,779,501
ii)	Exports	245,088	25,801,746
	(Refer Note No. 2.23(vi))		
b)	Sale of Services	1,006,870	400,870
c)	Other Operating Revenue	1,169,743	3,161,476
		<b>100,608,558</b>	<b>120,143,593</b>
	Less: Excise Duty	-	2,087,468
	<b>Total Revenue</b>	<b>100,608,558</b>	<b>118,056,125</b>
<b>2.17</b>	<b>OTHER INCOME</b>		
a)	Interest Income Gross	92,627	108,454
b)	Misc Income	24,470	1,850
c)	Provisions/Liabilities no longer required written back [Refer Note 1.13(b)]	45,060	205,938
		<b>162,157</b>	<b>316,242</b>
<b>2.18</b>	<b>Raw materials Consumed</b>	<b>61,860,103</b>	<b>82,080,684</b>
	(Refer Note Nos. 2.23 (i) and 1.14)		
<b>2.19</b>	<b>Changes in Inventory of Finished Goods &amp; Work in Progress</b>		
a)	Changes in Inventory of Finished Goods		
	Opening Stock	28,125	28,125
	Less: Closing Stock	28,125	28,125
		-	-
b)	Changes in Inventory of Work in Progress		
	Opening Stock	22,477,983	22,768,867
	Less: Closing Stock	26,856,852	22,477,983
	(Refer Note No. 2.23 (ii))		
		<b>(4,378,868)</b>	<b>290,884</b>
<b>2.20</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, Wages and Bonus	19,358,224	21,972,635
	Contribution to PF, Pension and other funds	993,283	994,488
	Medical and Welfare Expenses	2,768,468	3,163,609
		<b>23,119,975</b>	<b>26,130,732</b>
<b>2.21</b>	<b>FINANCE COSTS</b>		
	Interest on Overdraft and Bank Loans	1,542,853	2,346,182
		<b>1,542,853</b>	<b>2,346,182</b>





	Amount in Rs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>2.22 OTHER EXPENSES</b>		
Consumable Stores	1,420,348	1,862,641
Power and Fuel	2,399,891	2,498,699
Testing Charges	110,978	173,423
Repairs to Buildings	47,607	741,451
Repairs to Plant and Machinery	1,475,585	1,148,598
Repairs: Others	425,596	1,095,995
Insurance	130,283	90,946
Rates and Taxes	48,008	315,190
Postage, Telephone & Courier	326,187	480,636
Travelling & Conveyance Expenses (Refer Note No. 2.23 (iv))	1,025,938	2,159,685
Consultancy Charges	4,552,377	4,437,149
Auditors' Remuneration :		
Statutory Auditors:		
i) Statutory Audit Fees	70,000	70,000
ii) Tax Audit Fees	20,000	20,000
Other Services	10,000	33,000
Net Loss/(Gain) on Foreign Currency Transactions	78,381	-
Provision for Doubtful debts/Bad Debts	1,250,293	154,971
Provision for Doubtful Advances	-	3,135,559
Security Services	1,882,756	2,316,687
Motor Car Expenses	929,545	1,014,123
Legal Fees	-	9,500
Internal Audit Fees	30,000	30,000
Printing & Stationery	181,632	304,233
Data processing Expenses	65,000	66,000
Freight Outward	1,442,749	2,770,022
Warranty Expenses	48,197	1,006,868
Miscellaneous Expenses [ Refer Note 1.13(a)]	664,481	4,987,059
	<b>18,635,830</b>	<b>30,922,436</b>



ALFRED HERBERT LIMITED

2 NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Note 2.22 Miscellaneous Expenses</b>		
General Charges	150,000	149,042
Advertisement	-	71,008
Water Charges	339	4,839
Sales promotion	27,392	149,196
ISO Certification	27,950	69,500
Interest on Late PaymentsED/Vat	54,331	9,054
Bank Charges	404,469	694,728
Other Interest ( Income Tax)	-	804
Erection,Commissioning & Testing charges	-	3,838,888
	<b>664,481</b>	<b>4,987,059</b>



## 2 NOTES TO ACCOUNTS

2.23 Additional Information pursuant to the Schedule III to the Companies Act, 2013:

	Amount in Rs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>i) Raw materials consumed</b>		
<b>a) Raw Materials consumed in Production:</b>		
MS Plates	9,69,565	24,43,535
Aluminium Pipes & Non-Ferrous Metals	2,59,391	4,68,280
Channels, pipes, EN Round bars etc	12,39,775	9,31,109
	<u>24,68,731</u>	<u>38,42,924</u>
<b>b) Goods Purchased consumed in Production:</b>		
Semi-Finished	1,28,29,667	1,49,84,356
Finished Mechanical	2,54,04,793	3,69,77,362
Imported Mechanical	41,58,795	40,65,958
Electrical	1,06,50,697	1,38,68,355
	<u>5,30,43,952</u>	<u>6,98,96,030</u>
<b>c) OSP &amp; Others</b>	63,47,420	83,41,730
<b>Total Raw materials Consumed</b>	<u>6,18,60,103</u>	<u>8,20,80,684</u>
<b>ii) Work-in-Progress</b>		
Raw materials	16,69,234	16,90,268
Semi-Finished	69,36,480	70,36,480
Finished Mechanical	75,28,982	77,28,982
Imported Mechanical	4,57,641	4,57,641
Electrical	12,28,419	12,28,419
OSP Charges	47,33,897	28,45,372
Labour Oveheads	43,02,199	14,90,821
	<u>2,68,56,852</u>	<u>2,24,77,983</u>
<b>iii) Value of Imports on CIF Basis</b>		
<b>b) Components &amp; Spare parts</b>	<u>32,27,035</u>	<u>39,59,707</u>
	<u>32,27,035</u>	<u>39,59,707</u>





## 2 NOTES TO ACCOUNTS

## 2.23 Additional Information pursuant to the Schedule III to the Companies Act, 2013:

	For the year ended 31st March, 2019	Amount in Rs For the year ended 31st March, 2018
iv) <b>Expenditure in Foreign Currency</b>		
Other matters: Foreign Travel	84,250	126,262
v) <b>Material Consumption</b>		
Indigenous:		
a) Raw materials	2,468,731	3,842,924
b) Components & Spare parts	48,885,156	65,830,073
	<u>51,353,887</u>	<u>69,672,997</u>
Imported:		
b) Components & Spare parts	4,158,795	4,065,958
	<u>4,158,795</u>	<u>4,065,958</u>
vi) <b>Earnings in Foreign Exchange</b>		
Export of Products	245,088	25,801,746
	<u>245,088</u>	<u>25,801,746</u>

